

**CITY OF BISMARCK EMPLOYEES PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2003**

	January-03				December-02				September-02				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2002	5 Years Ended 6/30/2002
	Market Value	Allocation Actual	Policy	Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																
<i>Structured Growth</i>																
<i>AllianceBernstein</i>	439,529	2.1%	2.6%	-2.42%	450,319	2.2%	2.6%	3.03%	421,421	2.1%	2.6%	-13.56%	-13.10%	-28.98%	-16.11%	N/A
<i>Russell 1000 Growth</i>				-2.43%				7.15%				-15.05%	-11.19%	-26.49%	-16.15%	N/A
<i>Structured Value</i>																
<i>LSV</i>	1,023,751	4.9%	5.1%	-2.85%	1,053,254	5.1%	5.1%	6.44%	953,808	4.8%	5.1%	-18.29%	-15.51%	2.72%	5.54%	N/A
<i>Russell 1000 Value</i>				-2.42%				9.22%				-18.77%	-13.43%	-8.96%	-4.87%	N/A
<i>Enhanced Russell 1000 Index</i>																
<i>LA Capital (Wilshire)</i>	983,046	4.7%	5.1%	-2.02%	1,003,134	4.8%	5.1%	6.92%	904,796	4.6%	5.1%	-16.27%	-12.29%	-17.00%	N/A	N/A
<i>Russell 1000</i>				-2.42%				8.16%				-16.91%	-12.31%	-17.89%	N/A	N/A
<i>Enhanced S&amp;P 500 Index</i>																
<i>Northern Trust</i>	954,212	4.6%	5.1%	-2.62%	980,393	4.7%	5.1%	8.10%	874,537	4.4%	5.1%	-16.71%	-12.32%	-16.98%	N/A	N/A
<i>Strong</i>	972,019	4.7%	5.1%	-2.22%	992,094	4.8%	5.1%	10.08%	868,909	4.4%	5.1%	-16.75%	-10.39%	-20.23%	N/A	N/A
<i>Westridge</i>	1,195,387	5.8%	5.1%	-2.62%	1,220,201	5.9%	5.1%	8.52%	1,088,587	5.5%	5.1%	-17.19%	-12.49%	-17.54%	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>3,121,619</b>	<b>15.1%</b>	<b>15.4%</b>	<b>-2.50%</b>	<b>3,192,688</b>	<b>15.3%</b>	<b>15.4%</b>	<b>8.87%</b>	<b>2,832,032</b>	<b>14.3%</b>	<b>15.4%</b>	<b>-16.88%</b>	<b>-11.76%</b>	<b>-18.23%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				-2.62%				8.44%				-17.28%	-12.65%	-17.98%	N/A	N/A
<i>S&amp;P 500 Index</i>																
<i>State Street</i>	1,138,515	5.5%	6.0%	-2.62%	1,169,138	5.6%	6.0%	8.45%	986,425	5.0%	6.0%	-17.26%	-12.62%	-17.96%	-9.14%	3.67%
<i>S&amp;P 500</i>				-2.62%				8.44%				-17.28%	-12.65%	-17.98%	-9.18%	3.67%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>6,706,459</b>	<b>32.4%</b>	<b>34.3%</b>	<b>-2.50%</b>	<b>6,868,533</b>	<b>33.0%</b>	<b>34.3%</b>	<b>7.69%</b>	<b>6,098,483</b>	<b>30.7%</b>	<b>34.3%</b>	<b>-16.78%</b>	<b>-12.62%</b>	<b>-17.13%</b>	<b>-9.48%</b>	<b>2.68%</b>
<i>S&amp;P 500</i>				-2.62%				8.44%				-17.28%	-12.65%	-17.98%	-9.18%	3.67%
<b>SMALL CAP DOMESTIC EQUITY</b>																
<i>Manager-of-Managers</i>																
<i>SEI</i>	2,076,345	10.0%	10.7%	-2.62%	2,131,658	10.2%	10.7%	5.19%	2,027,032	10.2%	10.7%	-19.10%	-17.13%	-11.87%	N/A	N/A
<i>Russell 2000 + 200bp</i>				-2.60%				6.66%				-20.90%	-17.83%	-6.68%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>2,076,345</b>	<b>10.0%</b>	<b>10.7%</b>	<b>-2.62%</b>	<b>2,131,658</b>	<b>10.2%</b>	<b>10.7%</b>	<b>5.19%</b>	<b>2,027,032</b>	<b>10.2%</b>	<b>10.7%</b>	<b>-19.10%</b>	<b>-17.13%</b>	<b>-11.87%</b>	<b>1.18%</b>	<b>1.95%</b>
<i>Russell 2000</i>				-2.77%				6.16%				-21.40%	-18.87%	-8.59%	1.67%	4.44%
<b>INTERNATIONAL EQUITY</b>																
<i>Large Cap - Core</i>																
<i>State Street</i>	112,059	0.5%	0.6%	-4.69%	117,621	0.6%	0.6%	4.11%	98,752	0.5%	0.6%	-19.99%	-20.61%	-11.74%	-6.76%	-2.26%
<i>MSCI EAFE - 50% Hedged</i>				-4.94%				4.04%				-20.02%	-20.90%	-14.62%	-5.75%	0.27%
<i>Large Cap - Active</i>																
<i>Capital Guardian</i>	287,550	1.4%	1.5%	-4.68%	301,509	1.4%	1.5%	7.35%	257,494	1.3%	1.5%	-21.50%	-19.66%	-13.17%	-1.00%	5.76%
<i>Bank of Ireland</i>	58,064	0.3%	0.3%	-5.66%	61,513	0.3%	0.3%	7.13%	55,712	0.3%	0.3%	-21.60%	-20.77%	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>345,614</b>	<b>1.7%</b>	<b>1.8%</b>	<b>-4.84%</b>	<b>363,022</b>	<b>1.7%</b>	<b>1.8%</b>	<b>7.31%</b>	<b>313,206</b>	<b>1.6%</b>	<b>1.8%</b>	<b>-21.51%</b>	<b>-19.85%</b>	<b>-12.19%</b>	<b>-0.63%</b>	<b>6.00%</b>
<i>MSCI EAFE - 50% Hedged</i>				-4.94%				4.04%				-20.02%	-20.90%	-14.62%	-5.75%	0.27%
<i>Small Cap - Active</i>																
<i>Lazard</i>	64,810	0.3%	0.3%	-1.76%	65,925	0.3%	0.3%	3.95%	62,448	0.3%	0.3%	-17.39%	-15.64%	N/A	N/A	N/A
<i>Wellington</i>	64,166	0.3%	0.3%	-2.58%	65,808	0.3%	0.3%	7.10%	59,893	0.3%	0.3%	-17.35%	-13.76%	N/A	N/A	N/A
<b>Total Small Cap - Active</b>	<b>128,975</b>	<b>0.6%</b>	<b>0.6%</b>	<b>-2.17%</b>	<b>131,734</b>	<b>0.6%</b>	<b>0.6%</b>	<b>5.49%</b>	<b>122,342</b>	<b>0.6%</b>	<b>0.6%</b>	<b>-17.37%</b>	<b>-14.72%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>SSB BROAD MARKET INDEX &lt; \$2BN</i>				-1.50%				1.85%				-15.30%	-15.03%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>586,648</b>	<b>2.8%</b>	<b>3.0%</b>	<b>-4.24%</b>	<b>612,377</b>	<b>2.9%</b>	<b>3.0%</b>	<b>6.24%</b>	<b>534,300</b>	<b>2.7%</b>	<b>3.0%</b>	<b>-20.31%</b>	<b>-18.93%</b>	<b>-10.49%</b>	<b>-2.94%</b>	<b>2.40%</b>
<i>MSCI EAFE - 50% Hedged</i>				-4.94%				4.04%				-20.02%	-20.90%	-14.62%	-5.75%	0.27%
<b>EMERGING MARKETS EQUITY</b>																
<i>Capital Guardian</i>	285,138	1.4%	1.5%	-2.21%	291,580	1.4%	1.5%	11.72%	261,004	1.3%	1.5%	-16.68%	-8.97%	-5.69%	-5.69%	-6.04%
<i>MSCI Emerging Markets Free</i>				-0.44%				10.04%				-16.30%	-8.30%	1.30%	-6.34%	-8.42%
<b>DOMESTIC FIXED INCOME</b>																
<i>Core Bond</i>																
<i>Western Asset</i>	1,372,273	6.6%	5.9%	1.01%	1,357,782	6.5%	6.0%	2.49%	1,454,876	7.3%	6.2%	3.66%	7.31%	8.87%	8.93%	8.26%
<i>Lehman Aggregate</i>				0.09%				1.57%				4.58%	6.31%	8.62%	8.10%	7.57%
<i>Active Duration</i>																
<i>Criterion</i>	1,356,933	6.5%	5.9%	0.31%	1,354,187	6.5%	6.0%	2.69%	1,433,995	7.2%	6.2%	2.57%	5.66%	6.00%	7.60%	7.09%
<i>Lehman Aggregate</i>				0.09%				1.57%				4.58%	6.31%	8.62%	8.10%	7.57%

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	January-03				December-02				September-02				Current	Prior Year	3 Years	5 Years
	Allocation				Allocation				Allocation				Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2002	6/30/2002
															Net	Net
<b>Index</b>																
Bank of ND	1,628,494	7.9%	8.5%	0.05%	1,618,063	7.8%	8.4%	1.40%	1,729,966	8.7%	8.4%	5.96%	7.49%	9.56%	8.03%	7.55%
Bank of ND Match Loan CD Program	320,228	1.5%	1.5%	0.46%	324,168	1.6%	1.6%	1.43%	323,517	1.6%	1.6%	1.44%	3.37%	5.79%	5.86%	5.90%
<b>Total Index</b>	<b>1,948,722</b>	<b>9.4%</b>	<b>10.0%</b>	<b>0.16%</b>	<b>1,942,231</b>	<b>9.3%</b>	<b>10.0%</b>	<b>1.38%</b>	<b>2,053,483</b>	<b>10.3%</b>	<b>10.0%</b>	<b>4.78%</b>	<b>6.40%</b>	<b>9.68%</b>	<b>7.81%</b>	<b>7.47%</b>
Lehman Gov/Credit				0.00%				1.73%				5.70%	7.52%	8.24%	7.85%	7.47%
<b>Convertibles</b>																
<b>TCW</b>	<b>1,389,281</b>	<b>6.7%</b>	<b>5.9%</b>	<b>1.41%</b>	<b>1,370,279</b>	<b>6.6%</b>	<b>6.0%</b>	<b>8.32%</b>	<b>1,287,917</b>	<b>6.5%</b>	<b>6.2%</b>	<b>-9.90%</b>	<b>-1.03%</b>	<b>-21.20%</b>	<b>-2.06%</b>	<b>N/A</b>
First Boston Convertible Index				2.58%				9.83%				-8.56%	3.02%	-12.44%	0.11%	N/A
<b>BBB Average Quality</b>																
<b>Strong</b>	<b>1,384,543</b>	<b>6.7%</b>	<b>5.9%</b>	<b>0.31%</b>	<b>1,379,707</b>	<b>6.6%</b>	<b>6.0%</b>	<b>4.11%</b>	<b>1,420,976</b>	<b>7.2%</b>	<b>6.2%</b>	<b>0.39%</b>	<b>4.84%</b>	<b>3.16%</b>	<b>6.83%</b>	<b>N/A</b>
Lehman BBB				0.54%				-21.59%				2.70%	8.00%	5.85%	4.75%	N/A
<b>Timberland</b>																
<b>Evergreen (Wachovia)</b>	<b>1,297,175</b>	<b>6.3%</b>	<b>6.3%</b>	<b>6.38%</b>	<b>1,219,248</b>	<b>5.9%</b>	<b>5.9%</b>	<b>3.15%</b>	<b>1,032,809</b>	<b>5.2%</b>	<b>5.2%</b>	<b>-0.22%</b>	<b>9.48%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
														N/A	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>8,748,927</b>	<b>42.2%</b>	<b>40.0%</b>	<b>1.38%</b>	<b>8,623,435</b>	<b>41.4%</b>	<b>40.0%</b>	<b>3.36%</b>	<b>8,684,056</b>	<b>43.8%</b>	<b>40.0%</b>	<b>0.71%</b>	<b>5.53%</b>	<b>2.56%</b>	<b>6.70%</b>	<b>6.56%</b>
Lehman Aggregate				0.09%				1.57%				4.58%	6.31%	8.62%	8.10%	7.57%
<b>HIGH YIELD BONDS</b>																
<b>Western Asset</b>	<b>736,297</b>	<b>3.6%</b>	<b>3.5%</b>	<b>2.11%</b>	<b>721,065</b>	<b>3.5%</b>	<b>3.5%</b>	<b>7.64%</b>	<b>669,890</b>	<b>3.4%</b>	<b>3.5%</b>	<b>-3.24%</b>	<b>6.35%</b>	<b>-6.08%</b>	<b>-3.89%</b>	<b>4.16%</b>
Lehman High Yield Bond Index				3.33%				6.74%				-2.93%	7.06%	-3.60%	-2.31%	0.68%
<b>INTERNATIONAL FIXED INCOME</b>																
<b>International Core</b>																
<b>UBS Global (Brinson)</b>	<b>463,023</b>	<b>2.2%</b>	<b>2.0%</b>	<b>1.89%</b>	<b>454,280</b>	<b>2.2%</b>	<b>2.0%</b>	<b>6.06%</b>	<b>477,897</b>	<b>2.4%</b>	<b>2.0%</b>	<b>2.39%</b>	<b>10.65%</b>	<b>16.83%</b>	<b>2.39%</b>	<b>2.43%</b>
Salomon Brothers Non-US Gov't Bond Index				1.87%				6.06%				2.84%	11.12%	15.72%	3.14%	3.03%
<b>REAL ESTATE</b>																
<b>J.P. Morgan</b>	<b>625,506</b>	<b>3.0%</b>	<b>3.0%</b>	<b>0.06%</b>	<b>704,342</b>	<b>3.4%</b>	<b>3.0%</b>	<b>1.90%</b>	<b>691,206</b>			<b>1.64%</b>	<b>3.63%</b>	<b>4.10%</b>	<b>9.60%</b>	<b>11.72%</b>
NCREIF TOTAL INDEX				0.55%				1.67%				1.79%	4.06%	6.79%	9.41%	11.96%
<b>ALTERNATIVE INVESTMENTS</b>																
Coral Partners V	42,293			0.00%	43,184			-7.89%	39,745			-17.47%	-23.98%	-46.32%	-3.46%	N/A
Coral Partners V - Supplemental	2,592			0.00%	2,669			-11.88%	2,776			-14.17%	-24.37%	N/A	N/A	N/A
Coral Partners VI	2,705			0.00%	3,136			-21.31%	2,299			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	7,678			0.00%	7,884			-7.89%	8,116			-3.97%	-11.55%	-15.23%	8.66%	N/A
Brinson 1999 Partnership Fund	9,744			0.00%	10,006			-6.50%	9,171			-4.67%	-10.86%	-21.70%	-0.85%	N/A
Brinson 2000 Partnership Fund	14,154			0.00%	14,534			-1.66%	11,998			-6.93%	-8.48%	-14.95%	N/A	N/A
Brinson 2001 Partnership Fund	4,000			0.00%	4,107			-1.33%	3,848			-1.08%	-2.40%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	2,682			0.00%	2,754			-2.74%	2,595			0.15%	-2.59%	N/A	N/A	N/A
Total Brinson Partnership Funds	38,257			0.00%	39,285			1.14%	35,727			-4.85%	-3.77%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	4,836			0.00%	4,966			-2.36%	4,310			12.07%	9.43%	-7.68%	-3.51%	N/A
Brinson 2000 Non-US Partnership Fund	4,089			0.00%	4,199			-0.81%	3,429			7.00%	6.13%	-6.51%	N/A	N/A
Brinson 2001 Non-US Partnership Fund	1,764			0.00%	1,811			-1.54%	1,685			-1.47%	-2.99%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	3,637			0.00%	3,735			-0.33%	1,317			N/A	N/A	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	14,325			0.00%	14,710			-1.48%	10,741			6.90%	5.32%	N/A	N/A	N/A
Brinson BVCF IV	26,956			0.00%	25,786			-9.29%	26,045			-2.76%	-11.79%	-29.16%	-17.06%	N/A
Matlin Patterson Global Opportunities	41,542			0.00%	42,658			0.00%	34,487			N/A	N/A	N/A	N/A	N/A
InvestAmerica	3,449			0.00%	3,541			3.02%	3,449			31.25%	35.21%	N/A	N/A	N/A
Hearthstone	18,590			0.00%	16,934			3.48%	17,976			11.34%	15.21%	4.99%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>190,709</b>	<b>0.9%</b>	<b>1.0%</b>	<b>0.00%</b>	<b>191,902</b>	<b>0.9%</b>	<b>1.0%</b>	<b>-3.09%</b>	<b>173,244</b>	<b>0.9%</b>	<b>1.0%</b>	<b>-7.04%</b>	<b>-9.92%</b>	<b>-28.86%</b>	<b>-4.14%</b>	<b>N/A</b>
Post Venture Capital Index				0.00%				15.43%				-22.64%	-10.71%	-44.30%	-26.03%	-6.83%
<b>CASH EQUIVALENTS</b>																
<b>Northern Trust STIF/STEP</b>	<b>311,273</b>	<b>1.5%</b>	<b>1.0%</b>	<b>0.25%</b>	<b>229,496</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.42%</b>	<b>229,911</b>	<b>1.2%</b>	<b>1.0%</b>	<b>0.68%</b>	<b>1.36%</b>	<b>2.29%</b>	<b>4.72%</b>	<b>5.01%</b>
90 Day T-Bill				0.10%				0.43%				0.45%	0.98%	2.63%	4.67%	4.84%
<b>TOTAL FUND</b>	<b>20,730,325</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-0.56%</b>	<b>20,828,668</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4.82%</b>	<b>19,847,023</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-8.20%</b>	<b>-4.30%</b>	<b>-6.37%</b>	<b>-0.28%</b>	<b>4.94%</b>
POLICY TARGET BENCHMARK				-1.14%				5.18%				-7.79%	-4.12%	-3.70%	0.50%	5.82%

NOTE: Monthly returns and market values are preliminary and subject to change.